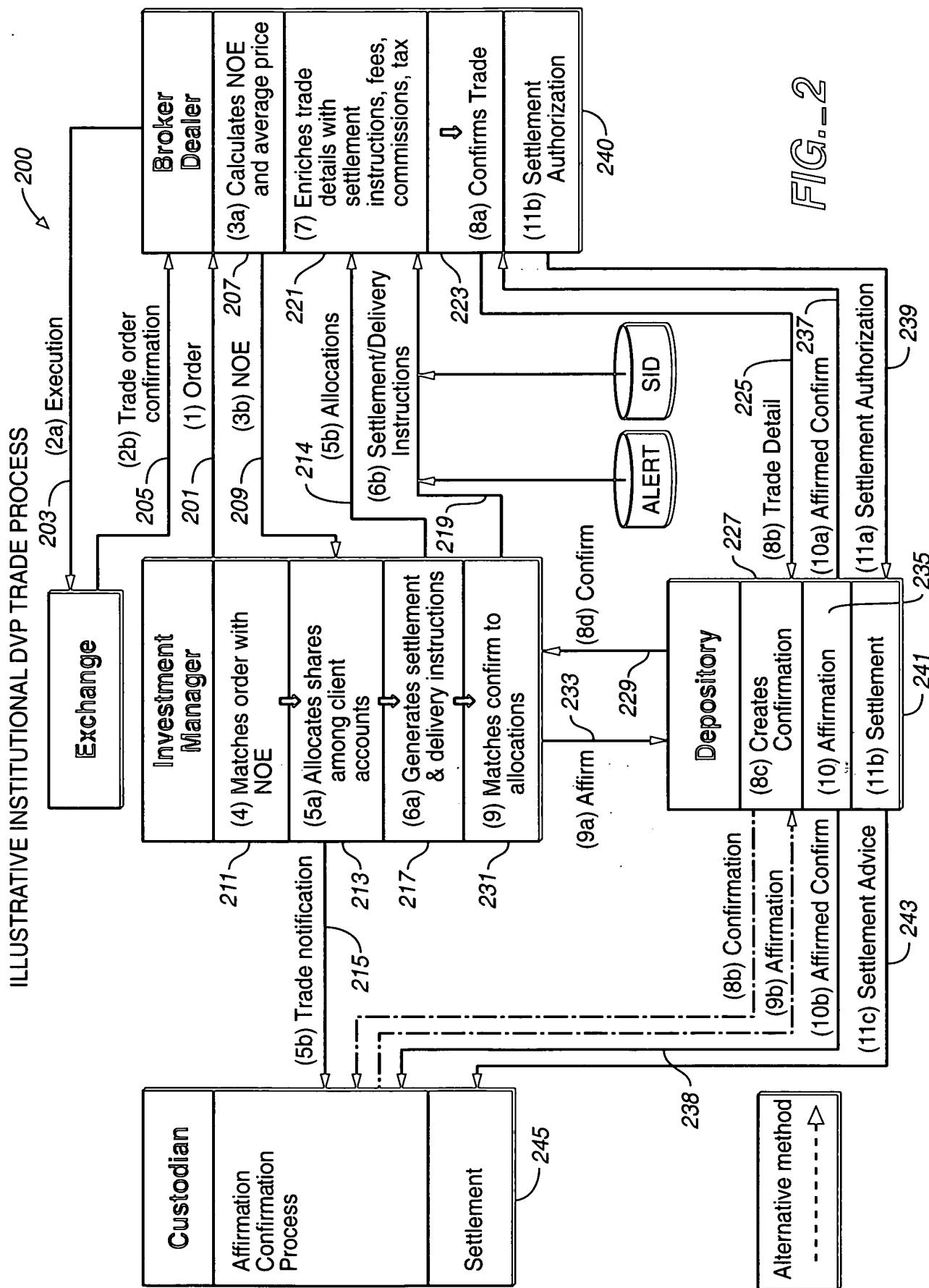
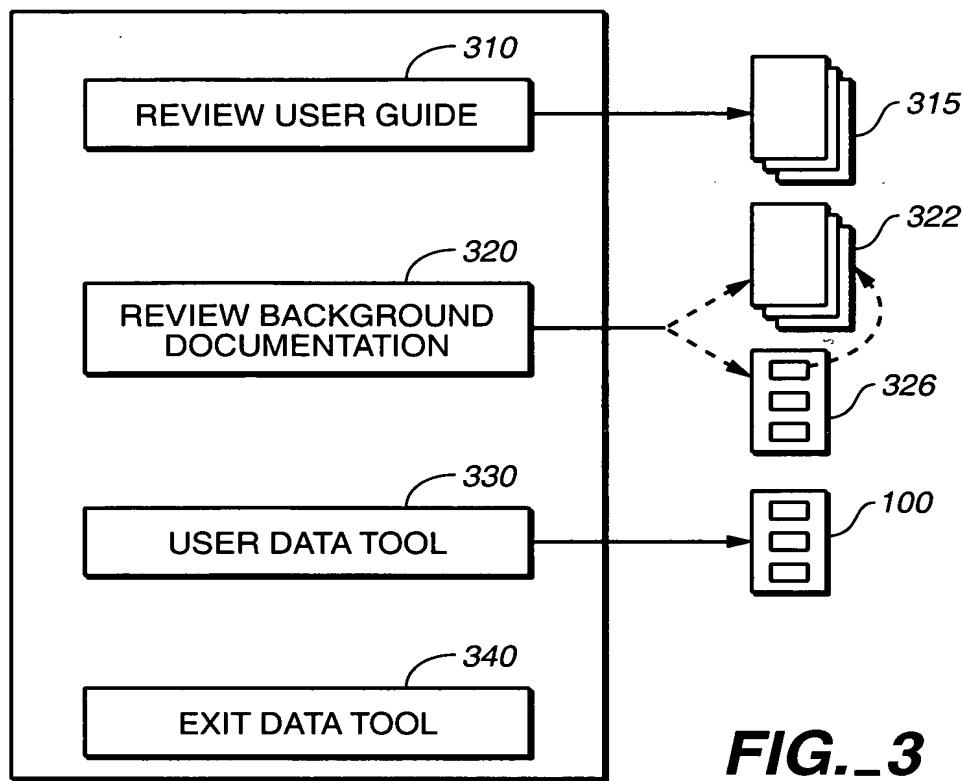
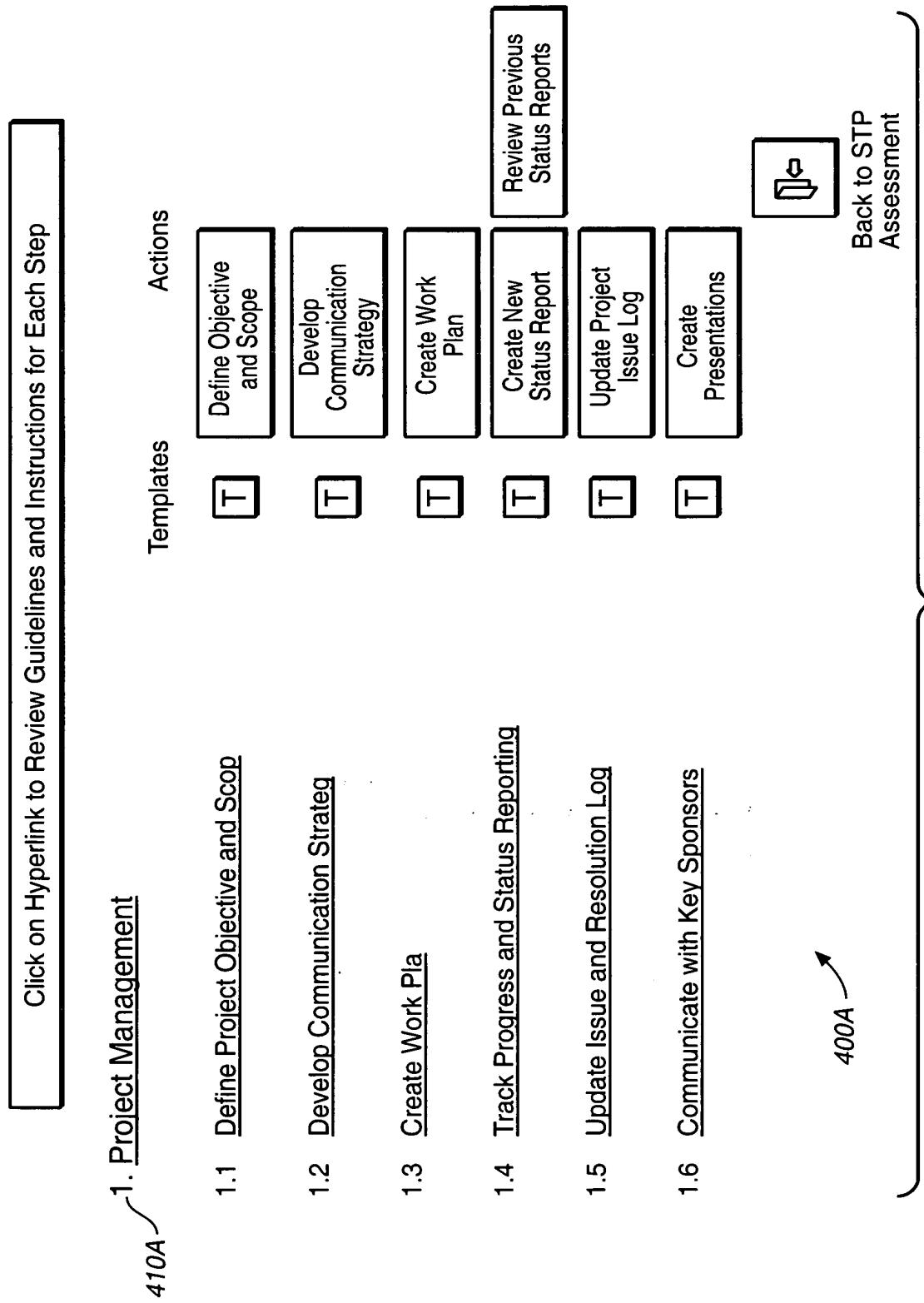


FIG.\_1



**FIG.\_3**



Click on Hyperlink to Review Guidelines and Instructions for Each Step

410B √ 2. Identify Critical Issue

Templates

T [Update Interview Guide](#)

Actions

415B √ 2.1 Review Major Business Unit's Current and Long-Term Business Strategy and Plans

T

420B √ 2.2 Identify Key Executives for Interview and

425B √ 2.3 Conduct Interviews to Identify Critical Issues and STP Implications Across the Organization

T

[Create New Interview Notes](#)

[Update STP Issues Log](#)

[Review Previous Interview Notes](#)

430B √ 2.4 Summarize Critical Issues and STP

T

[Create Future State](#)

[Refine Work Plan](#)

435B √ 2.5 Develop T+1 and T+0 STP Business Architecture and Process Definition

T

440B √ 2.6 Refine Project Scope and Work Plan

[Refine Work Plan](#)

[Update STP Issues Log](#)

[Create Future State](#)

[Refine Scope](#)



[Back to STP Assessment](#)

400B →

**FIG. 4B**

Click on Hyperlink to Review Guidelines and Instructions for Each Step

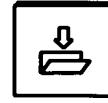
400C

### 3. Establish Process and Technology Baseline

#### 410C

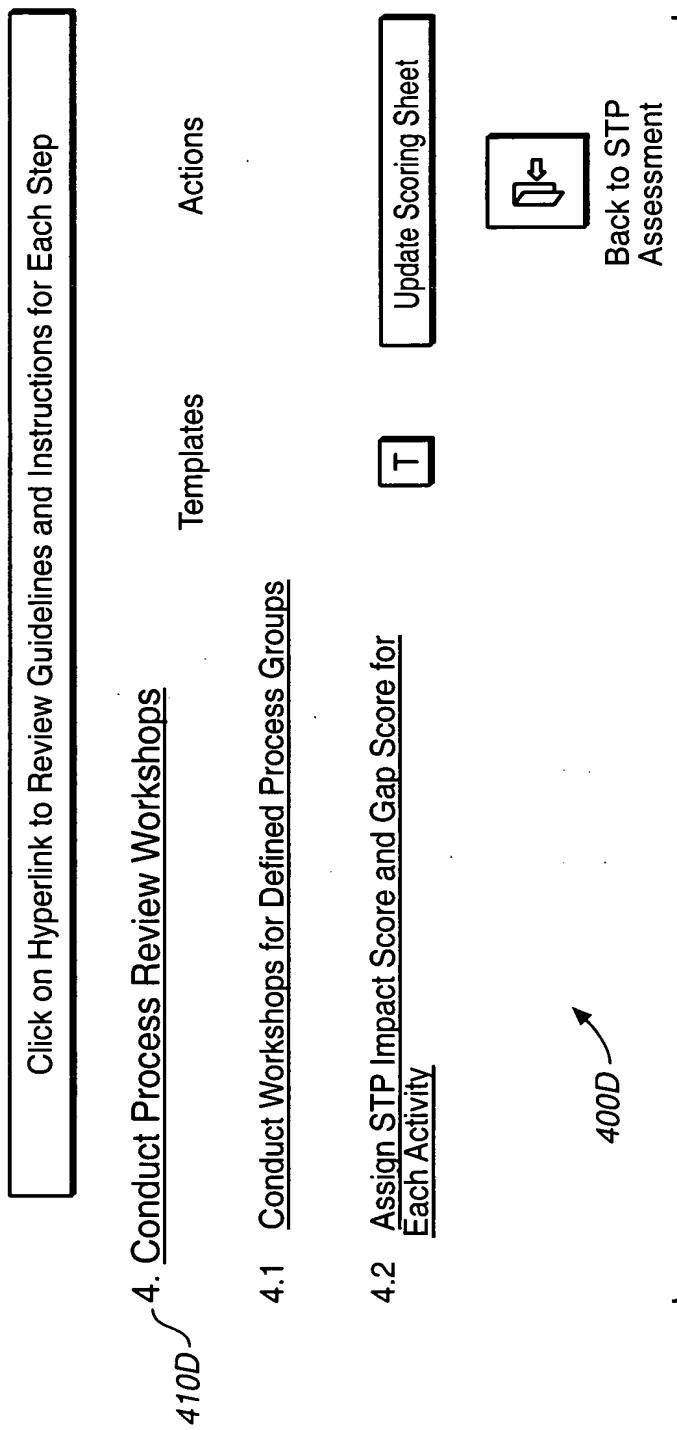
#### Templates

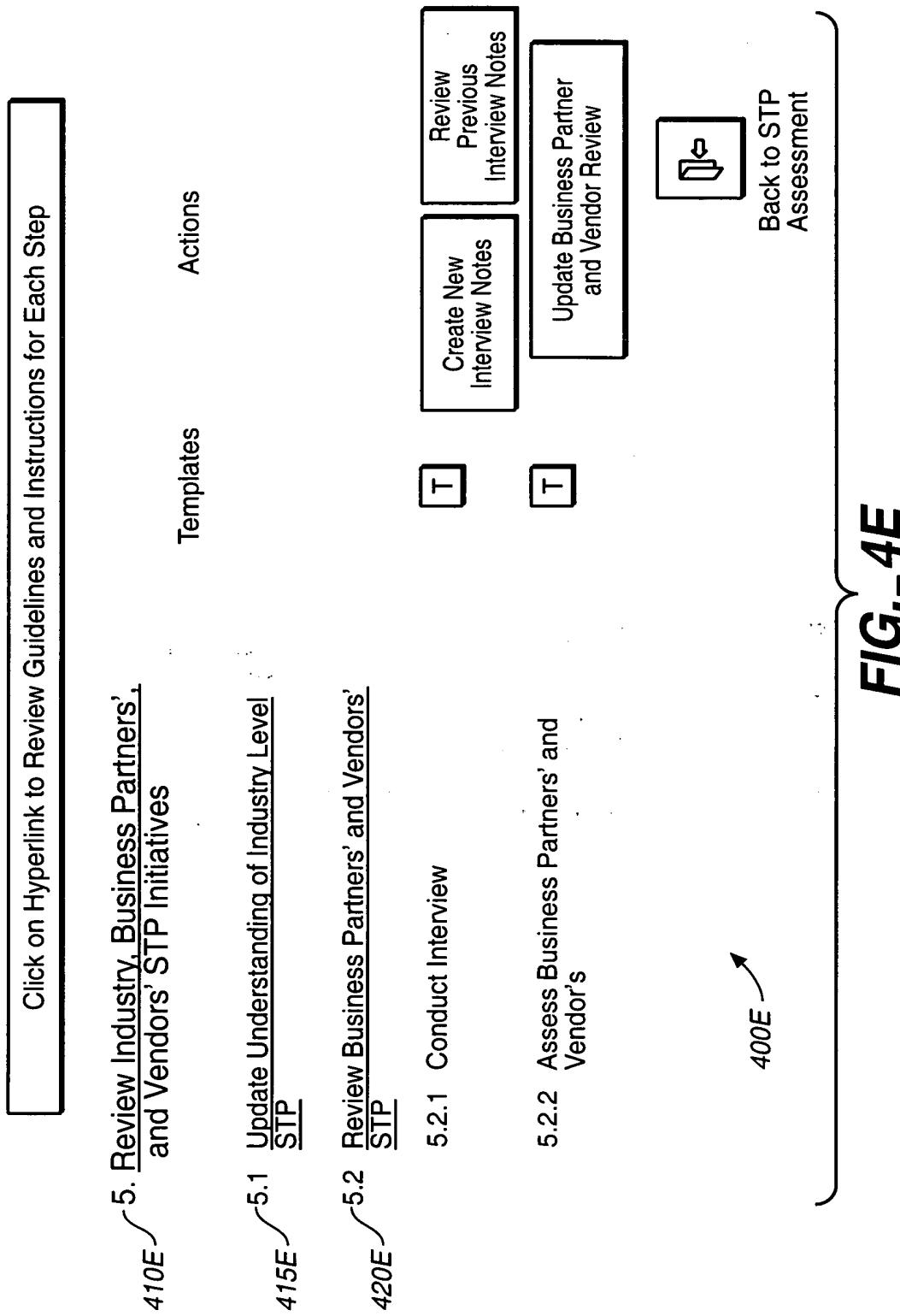
	Actions
3.1 Gather FTE and Level of Automation Data	
3.1.1 Gather FTE Data	<a href="#">Collect Data</a>
3.1.2 Gather Core Automation Data	<a href="#">Collect Data</a>
3.1.3 Gather Non-Core Automation Data	<a href="#">Collect Data</a>
3.2 Gather Volume Data	<a href="#">Collect Data</a>
3.3 Analyze FTE and Automation Data	
3.3.1 FTE-Automation Report by Selected Automation Level and Process	<a href="#">View Report</a>
3.3.2 FTE-Automation Report by Selected FTE Level and Process	<a href="#">View Report</a>
3.3.3 FTE-Automation Report by FTE Level	<a href="#">View Report</a>
3.4 Review Process Fragmentation Report	<a href="#">View Report</a>
3.5 Analyze Impact of Changing Business Volume	
3.5.1 Effects by Business Process	<a href="#">View Report</a>
3.5.2 Effects by Business Competency	<a href="#">View Report</a>
3.6 Compile and Review Critical Issue	<a href="#">Update STP Issues Log</a>



Back to STP Assessment

FIG.\_4C





Click on Hyperlink to Review Guidelines and Instructions for Each Step

## 6. Perform Technology Assessment

		Templates	Actions
410F	6.1 <a href="#">Map Applications to the Processes/Activities Which They Support</a>	<input type="checkbox"/> T	<a href="#">Update Process/Application Map</a>
415F	6.2 <a href="#">Conduct Functional/Technical Assessment of Applications</a>	<input type="checkbox"/> T	<a href="#">Update Functional/Technical Assessment</a>
420F	6.3 <a href="#">Conduct IT Infrastructure Assessment</a>	<input type="checkbox"/> T	<a href="#">Update IT Assessment</a>
425F	6.4 <a href="#">Review Current IT Initiatives for Alignment with STP</a>		<a href="#">Update STP Issues Log</a>
430F	6.5 <a href="#">Assess Opportunities to Leverage Vendor, Business Partner, or Industry Technology</a>		<a href="#">Update IT Assessment</a>
435F			<a href="#">Update Functional/Technical Assessment</a>



Back to STP Assessment

400F

**FIG. 4F**

	Templates	Actions
410G ↗ 7.1 <u>Formulate and Prioritize Process and Technology Improvement Recommendations</u>	<input type="checkbox"/> Review STP Score	<input type="checkbox"/> Create Improvement Recommendation
415G ↗ 7.2 <u>Create a Roadmap for Achieving ST</u>	<input type="checkbox"/> Create Project Definition	<input type="checkbox"/> Create Roadmap
	<input type="checkbox"/> 7.2.1 Create Project Definition	
	<input type="checkbox"/> 7.2.2 Create Roadmap	
	7.3 <u>Develop Business Case for Each Project</u>	<input type="checkbox"/> Create New Business Case
		
		Back to STP Assessment

**FIG.\_ 4G**

400G ↗

Click on Hyperlink to Review Guidelines and Instructions for Each Step

### 8. Develop Implementation Plan



[Back to STP Assessment](#)

400H →

### FIG.\_4H

#### Guidelines for Team Composition:

FTE	Role	Skills/experience required
1	Project manager	strong project management experience and skills
3.5	Process analyst	strong process redesign experience
1	Application analyst	strong background in application architecture and functional design
1	Technical analyst	strong background in technical architecture, network architecture, data protocols and Internet technologies
0.5	Financial analyst	strong business case modeling skills

### FIG.\_5C

Step	Task/Subtask	Deliverables	Assigned to	Estimated Man-days	Start Date	End Date
<b>1.</b>	<b>Project Management</b>					
1.1	Define project objective and scope	project objective and scope				
1.2	Develop communication strategy	communication strategy				
1.3	Create work plan	work plan				
1.4	Track progress and status reporting	status reports				
1.5	Update issue and resolution log	project issue & resolution log				
1.6	Communicate with key sponsors					
<b>2.</b>	<b>Identify Critical Issues</b>					
2.1	Review major business units' current and long-term business strategy and plans					
2.2	Identify key executives for interview and information gathering					
2.3	Conduct interviews to identify critical issues and STP implication across the organization	Interview notes				
2.4	Summarize critical STP issues and implications	STP issue log				
2.5	Develop T+1 and T+0 STP Business Architecture and Process Definition	T+1 and T+0 future state process definitions				
2.6	Refine project scope and work plan	adjusted project scope and work plan				
<b>3.</b>	<b>Establish Process and Technology Baseline</b>					
3.1	Gather FTE and Level of Automation Data					
3.1.1	Gather FTE data	FTE data				
3.1.2	Gather Core Automation Data	LOA data for core systems				
3.1.3	Gather Non-Core Automation Data	LOA data for non-core systems				
3.2	Gather Volume Data	volume data				
3.3	Analyze FTE/Automation Data					
3.4	Review Process Fragmentation Report					
3.5	Analyze Impact of Changing Business Volume					
3.5.1	Effects by Business Process					
3.5.2	Effects by Competency					
3.6	Compile and Review Critical Issues	updated STP issue log				

FIG.-5A

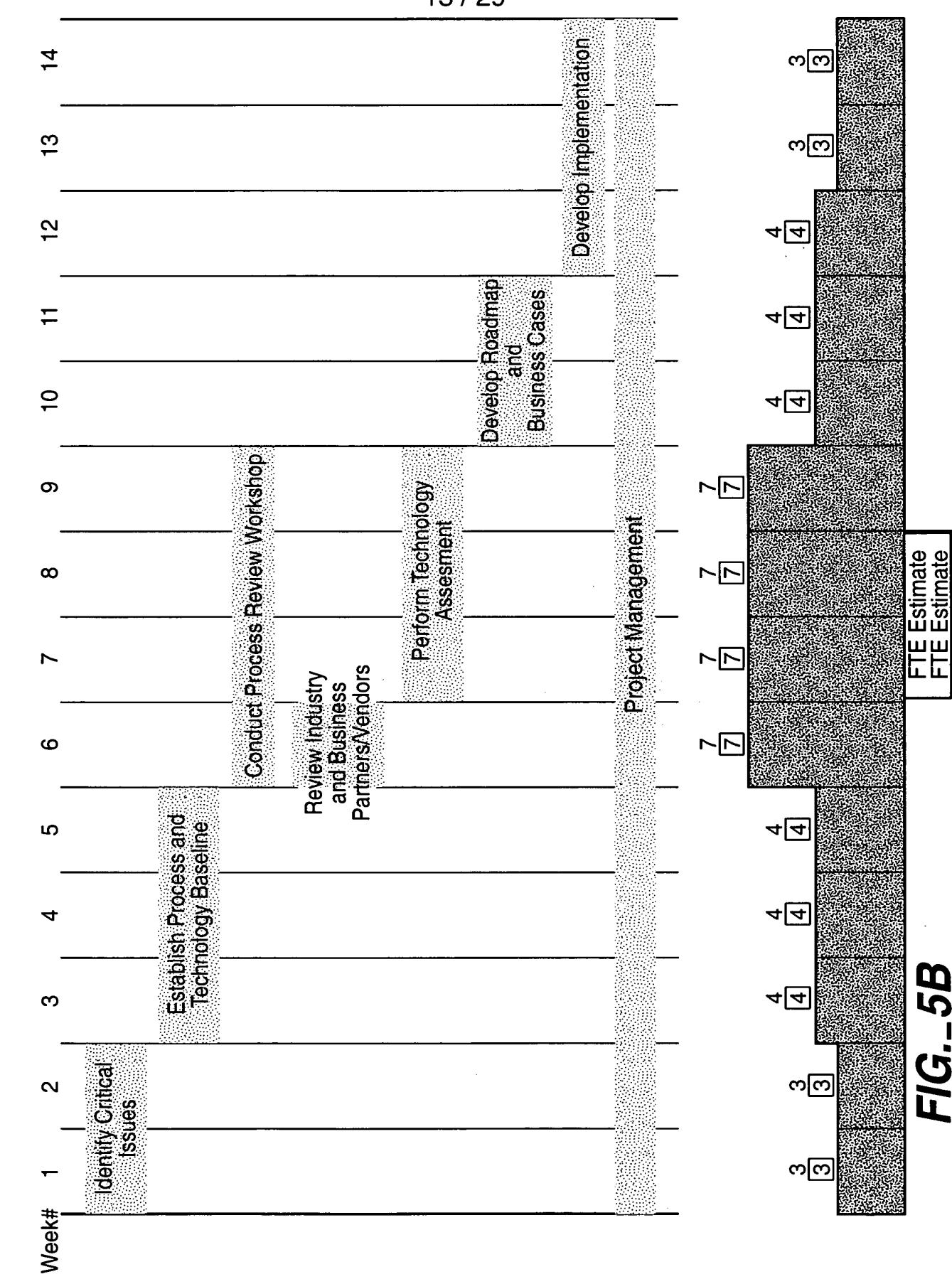


FIG.\_5B

## Interview Notes

Category/Question	Comments
<b>General</b>	
1. What are your firm's key business strategies and goals?	
2. What are the key markets your firm is currently targeting, or is planning to target, in the future?	
3. What are the key products your firm is currently offering, or is planning to offer in the future?	
4. How does eCommerce figure into your strategies?	
5. What key capabilities do you think your firm needs for continued success?	
6. What important capability gaps, if any, do you currently have?	
7. Where do you see growth in your business? What is your forecast of the future growth rate in these areas? What impact will the growth have on your operation?	
8. What important operational problems or bottlenecks do you see in your firm?	
9. What are the areas of greatest operational risk?; cost?	
10. Are there any key operational quality issues?	
<b>STP Related</b>	
11. What is your definition (vision) of STP?	
12. What is the level of concern you have regarding your firm's ability to adapt to T+1; T+0?	
13. What benefits, if any, do you see in achieving STP?	
14. Which area of your firm has the greatest distance to go in achieving STP?	
15. What area of your firm should be addressed first in building an STP capability?	
16. What do you see as the major obstacles in achieving STP in your firm?	
What are your firm's annual custodian and DTC charges?	

FIG.\_6

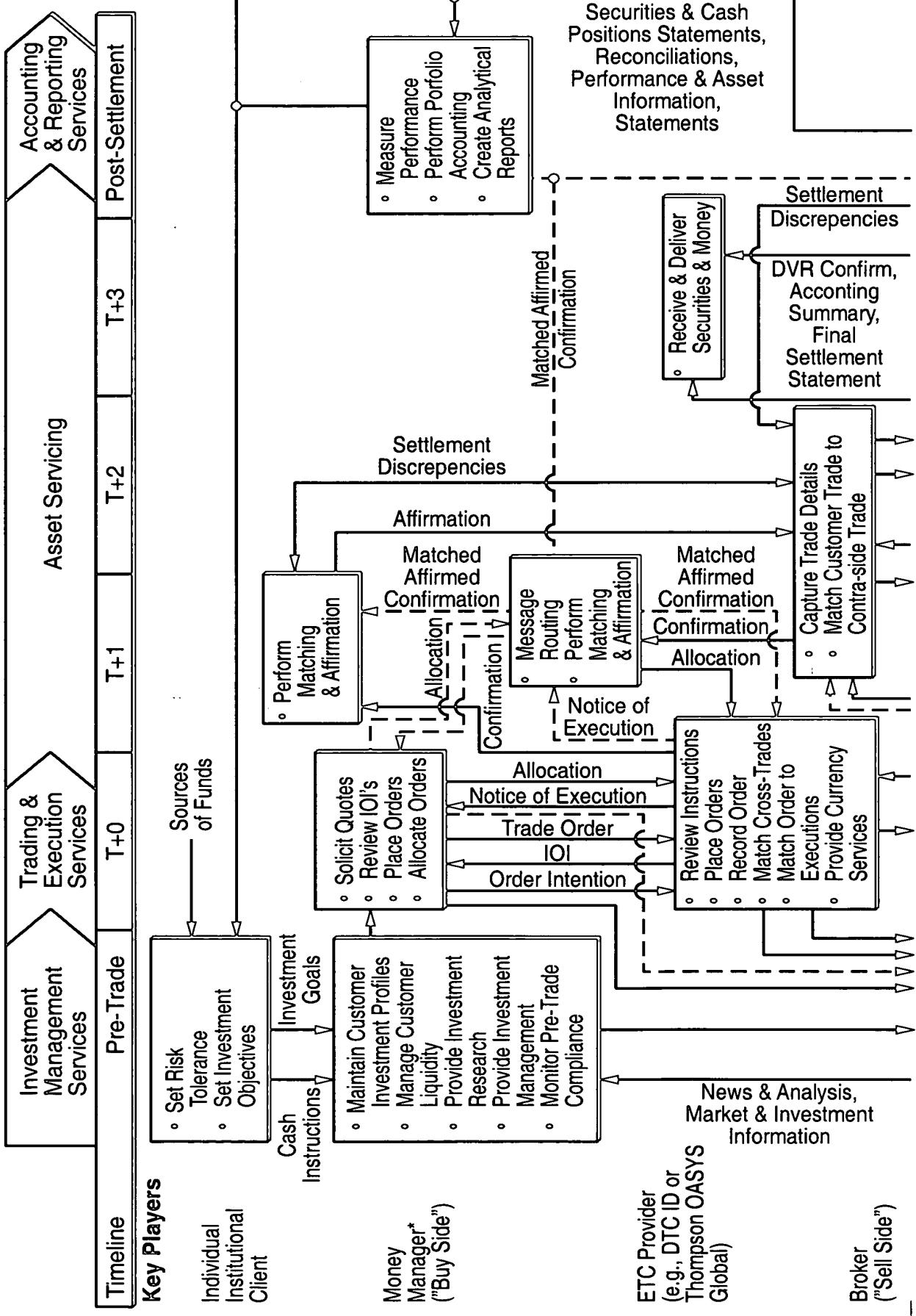


FIG.-7

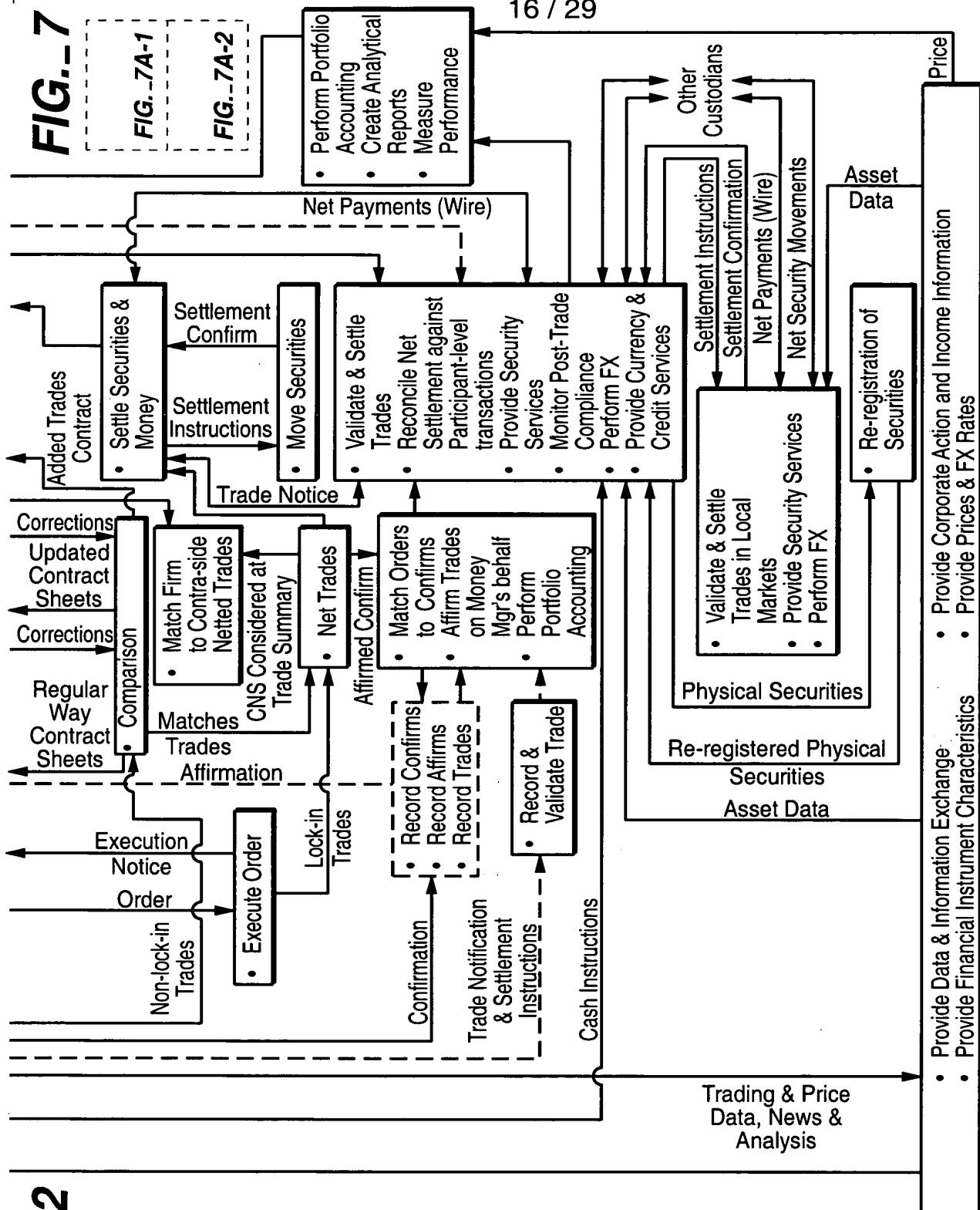


FIG.-7A-2

Exchange

Clearing Corp

Depository

Custodian

### Subcustodian/ Correspondent

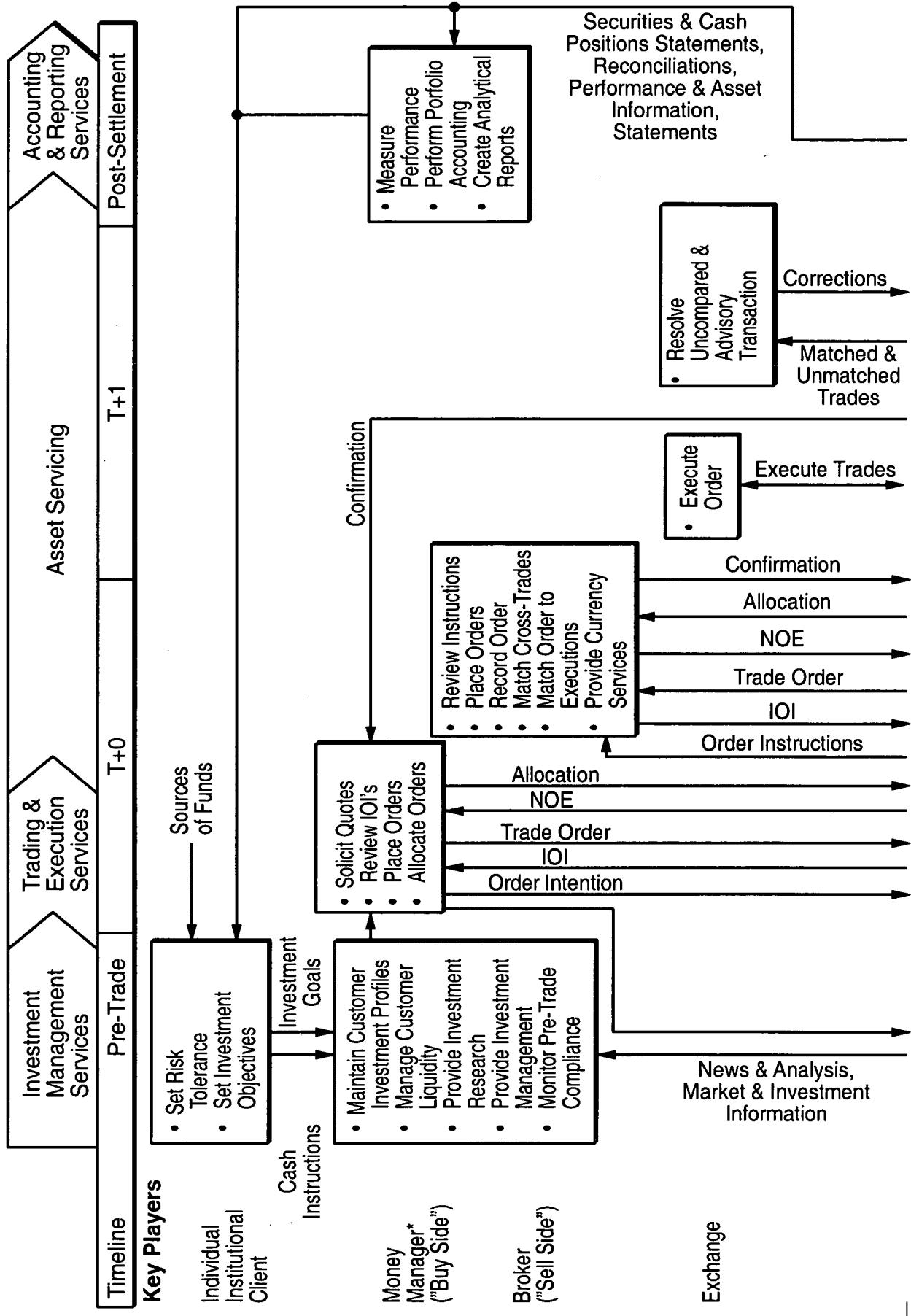
Transfer Agent/  
Registrar

Information  
Provider\*\*

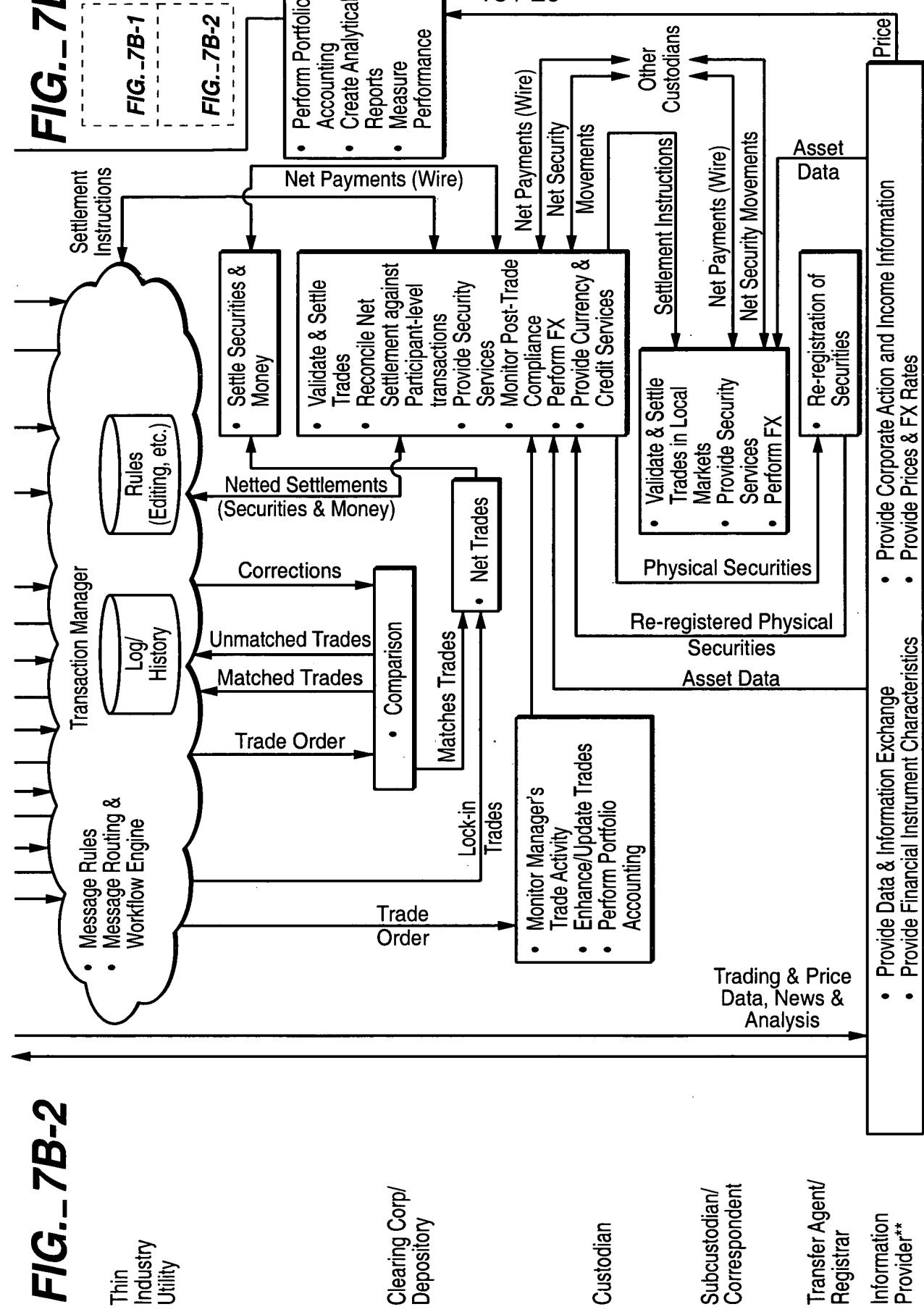
## Investment Manager, Private Banker, Self-Directed Individual

► = Optional Flow  
\*\*\*Market Data Vendor, Issuer, Government Agency, Analytical Services, etc.

\*\*Market Data Vendor, Issuer, Self-Directed Individual

**FIG.\_7B-1** T+1 Trade Process Flow for Equities & Fixed Income Using a Thin Industry Utility

## FIG.-7B



\*Investment Manager, Private Banker, Self-Directed Individual      \*\*Market Data Vendor, Issuer, Government Agency, Analytical Services, etc.

## T+0 Trade Process Flow (Instant Settlement) for Equities &amp; Fixed Income Using a Robust Industry Utility

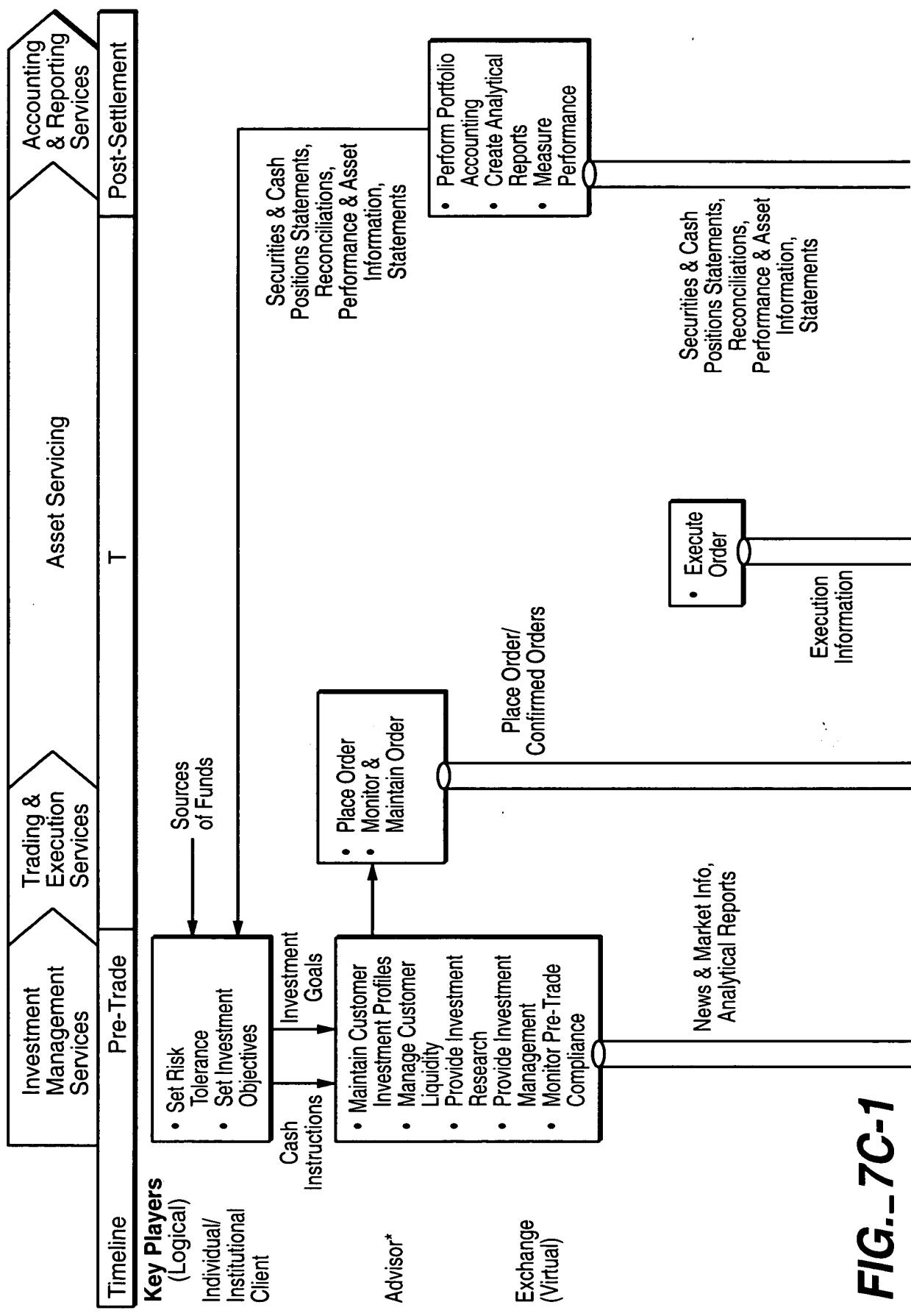
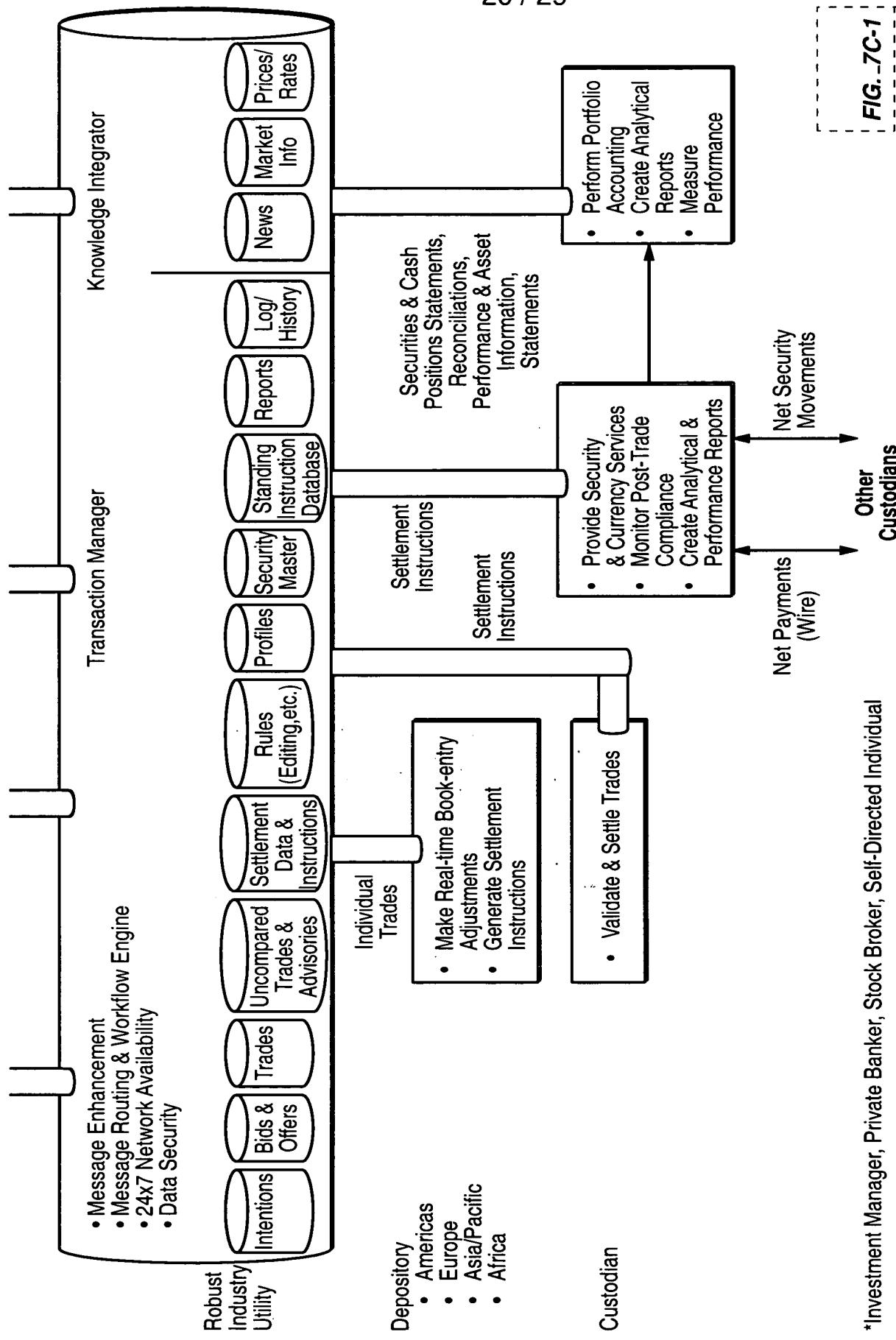
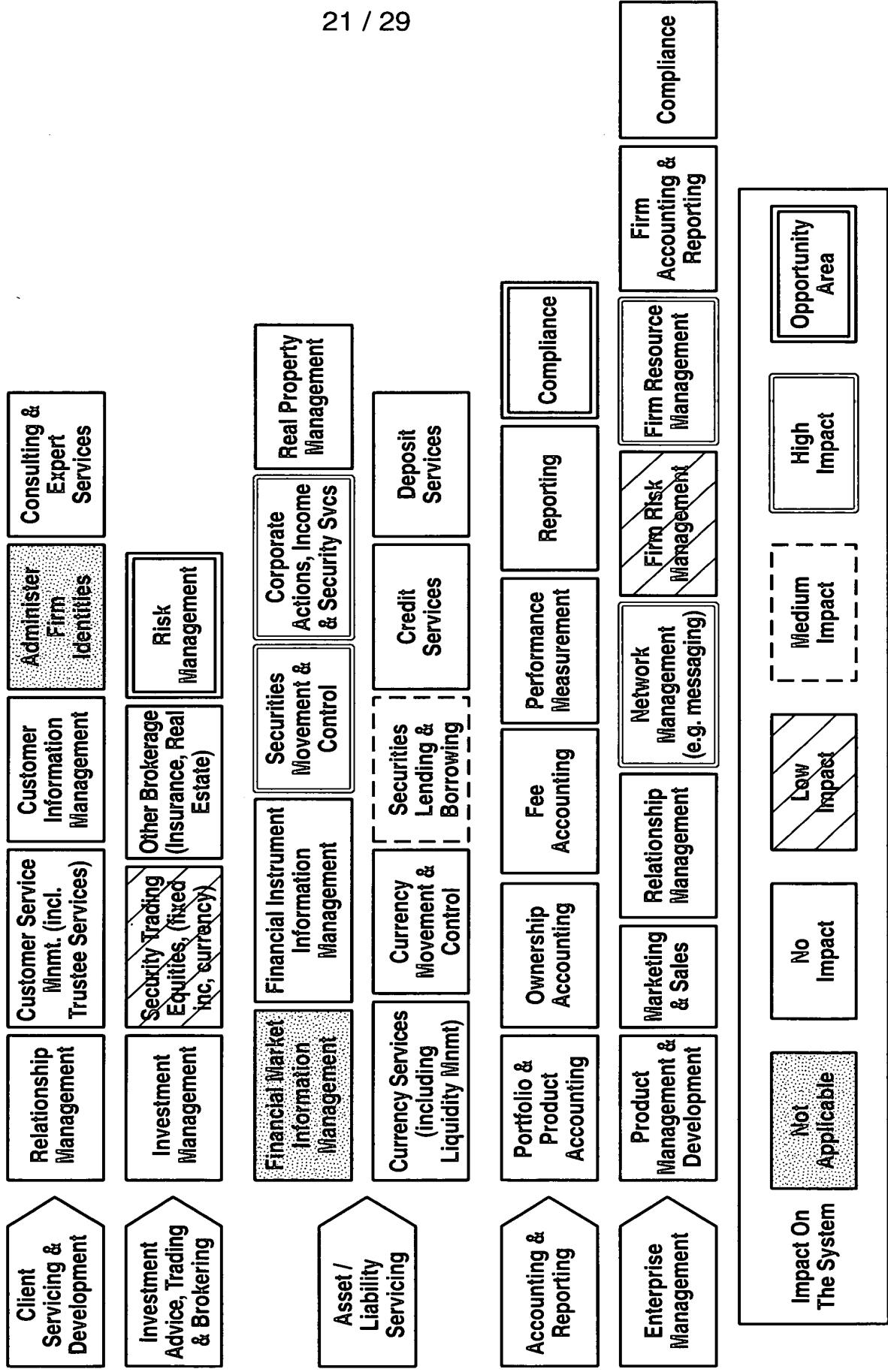


FIG.\_7C-1

**FIG.\_7C-2****\*Investment Manager, Private Banker, Stock Broker, Self-Directed Individual**

## HEAT MAP

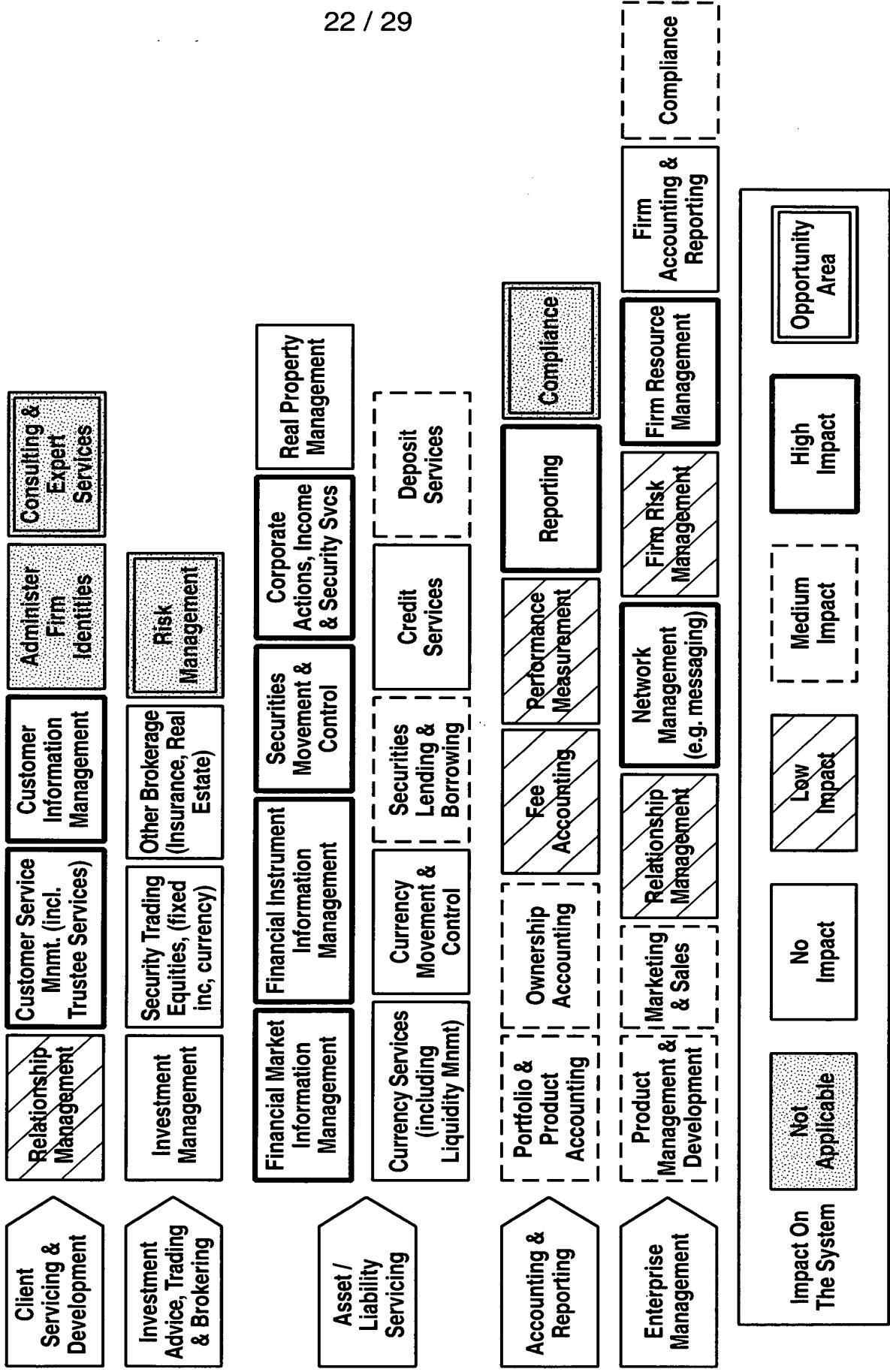
## Example of T + 1 Impact on a Securities Processing System



**FIG. - 8B**

## Example of T + 0 Impact on a Securities Processing System

## HEAT MAP



## Business Partner and Vendor Interview Guide

Question	Comments
<ol style="list-style-type: none"> <li>1. How would you characterize your company's role in the securities industry?</li> <li>2. How do you view your company's relationship with our organization?</li> <li>3. What is your definition (vision) of STP?</li> <li>4. How would you assess your company's STP readiness (L/M/H)? Why?</li> <li>5. What are major STP-related initiatives planned or underway in your company?</li> <li>6. What is the level of concern you have regarding your firm's ability to adapt to T+1; T+0?</li> <li>7. Which area of your firm has the greatest distance to go in achieving STP-related gains?</li> <li>8. What area of your company should be addressed first in building an STP capability?</li> <li>9. What do you see as the major obstacles in achieving STP in your company?</li> <li>10. As regards your STP efforts, to what degree is management's focus on each competency area (people, process and technology)? (L/M/H)</li> </ol>	

**FIG.\_9**

FIG. - 10

FIG. 12

Business Process/Activity	Relevant Core, Non-core Applications
<b>CLIENT SERVICING AND DEVELOPMENT</b>	
<b>93 Relationship Management</b>	
93.01 Establish and Monitor Service Tiering Alignment	Fees, Ticklers, Account Options
93.02 Establish and Manage Client Service Teams	
93.03 Maintain Client Communications	Statement messages, Ticklers
93.04 Monitor Client Service Team Performance	
93.05 Monitor Counterparty Service Performance	
<b>10 Customer Service and Information Management</b>	
10.01 Set up New Client/Counterparty Relationships	Client Maintenance (within T3K)
10.05 Establish Client/Counterparty Accounts	Client Maintenance (within T3K)
10.03 Establish and Maintain Client Service Profile	Client Maintenance (within T3K)
10.08 Fulfill Fiduciary Obligations	N/A
10.09 Fulfill Obligations as Agent	N/A
10.04 Maintain Client/Counterparty Communications	N/A
10.06 Maintain Account Profile Information	Client Maintenance (within T3K)
10.02 Establish and Maintain Client/Counterparty	Client Maintenance (within T3K)
10.07 Maintain Account Investment Information	Client Maintenance (within T3K)
<b>60 Administer Trust Indentures</b>	
60.01 Negotiate Indenture	
60.02 Qualify Trustee to Act	Account Setup & Reporting
60.03 Authenticate and Issue Securities	
60.04 Monitor Terms of Indenture	
<b>30 Consulting and Expert Services</b>	
30.01 Provide Issuer Related Advice	
30.02 Provide Investor Related Advice	
30.03 Provide Research Information	
30.04 Provide Risk Management Advice	

FIG.\_ 11

Category	Description of Current Environment	Changes Required to Support STP	Key Dependencies for Changes	Estimated Effort Required for Change (H/M/L)	Possible Third-party Solutions
Data Architecture					
Computing Environment					
Network Environment					
Infrastructure Environment					

FIG.-13



Idea No.	Improvement Idea Description	Priority (H/M/L)	Quick Hit (?)	Timing Affected	Process Affected	Application Affected	Estimated Programming Hours	Third-party Involved	Dependency

FIG.\_ 14

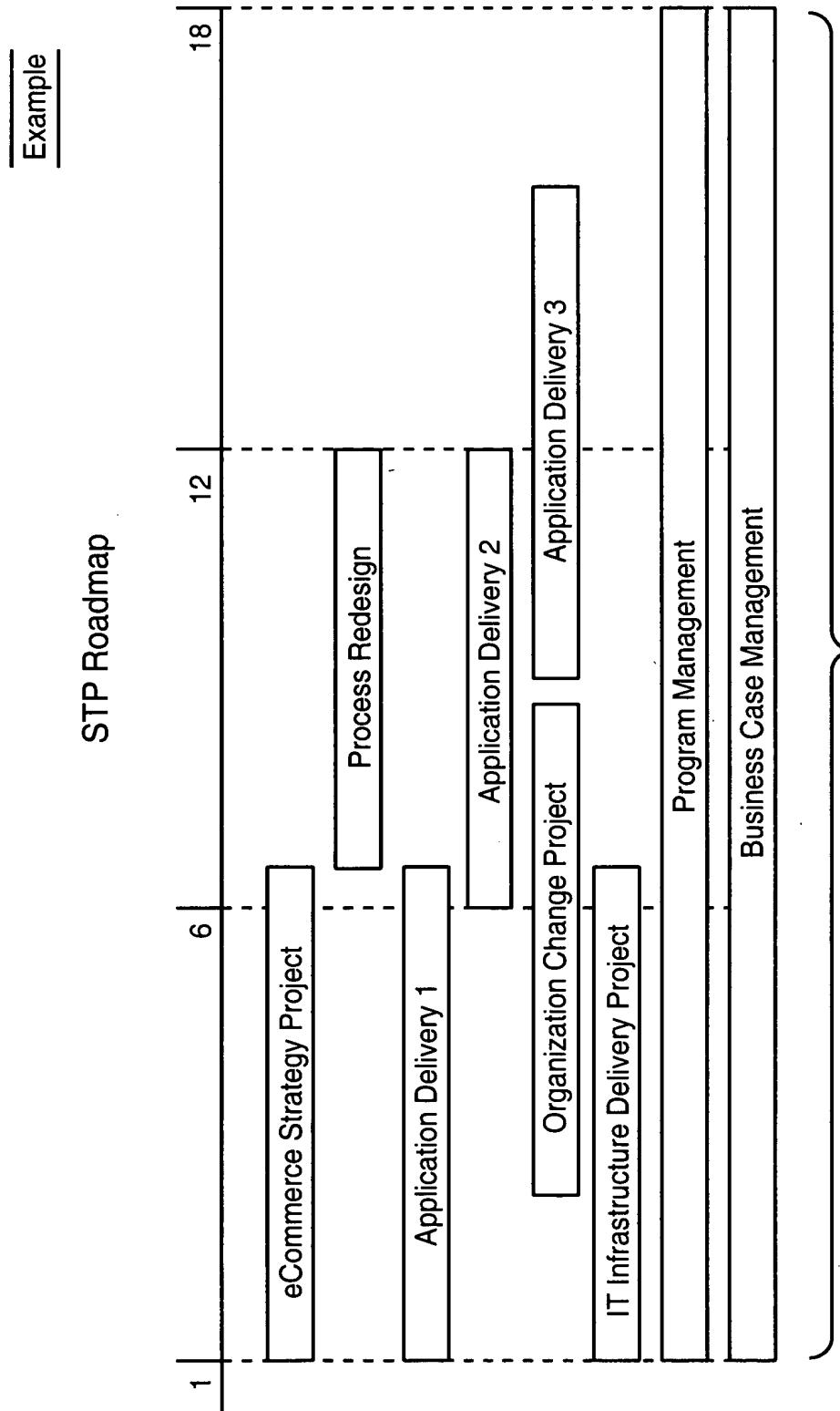
Project No.	Project Name	Scope/Functionality Delivered	Approach	Deliverables	Timing	Resource	Interdependencies

FIG.\_ 15

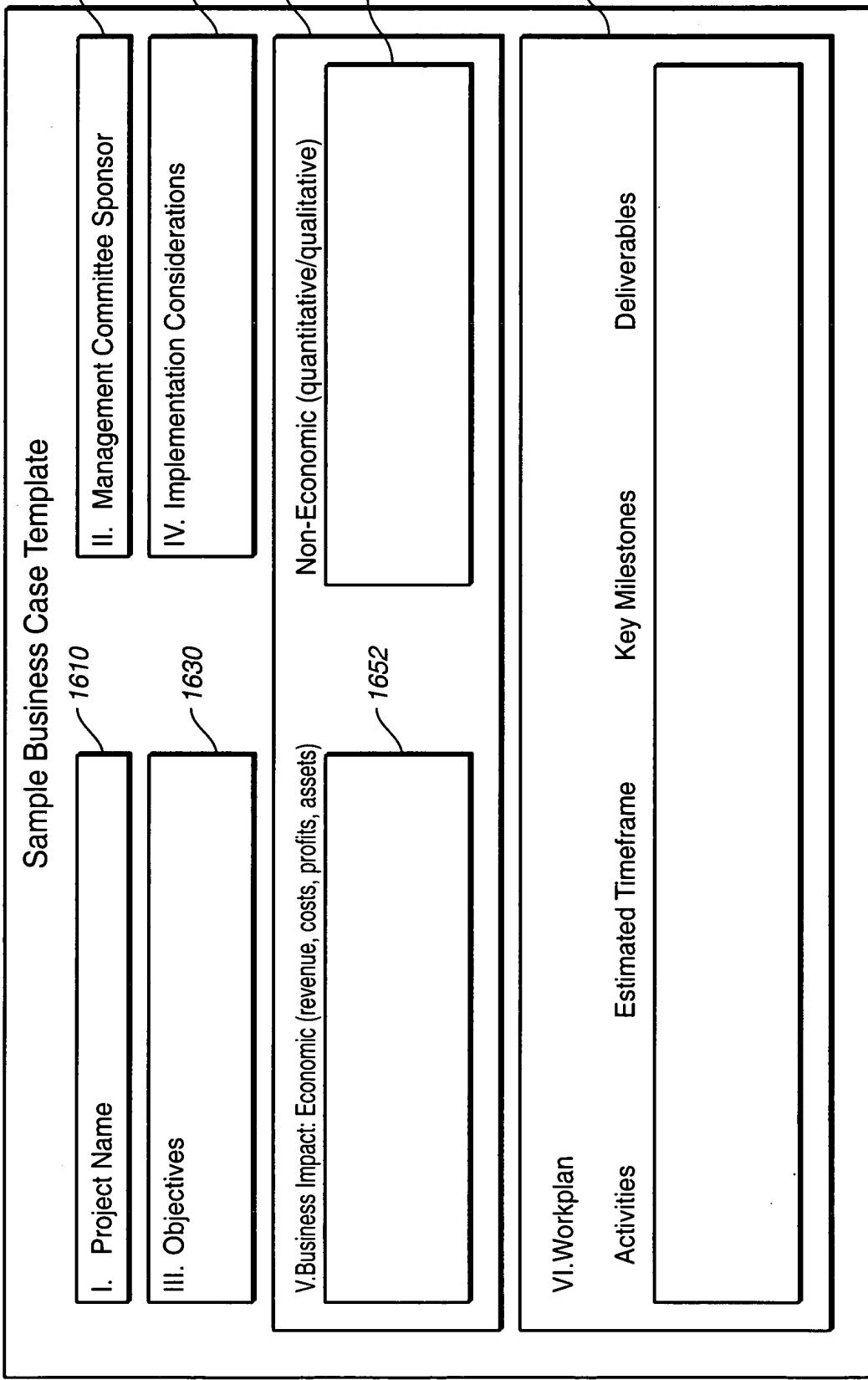
00 5201 " 4115 516 26 0

Develop Roadmap

**The STP Roadmap outlines the journey towards STP including sequencing and timing.**



**FIG.- 16**

Example 2**- Key Components of a Business Case -****FIG.- 17**